THE MINISTER OF STATE IN THE MINISTRY OF FINANCE! (SHRI JANARDHAN POOJARI): (a) and (b) Financial concessions are already being extended to Indian Public/Private Sector engineering and allied industries under projects funded by World Bank and certain multi'ateral/bilater al aid extending alginates involving *i* Internaitional Competitive Bidding (ICB) procedures. Extension of similar concession in all cakes where globally and completitive tenders are invited for projects/supplies in India is under the consideration of the Government.

Order relating to recruitment of labour in mines in Bihar under MMTC

922. SHRI ASHWANI KUMAR; SHRI S. W. DHABE:

Will the Minister of COMMERCE be pleased to «<tate;

(a) whether there is any executive order operative in mines being run by MMTC in Bihar to the effect that the percentage of new recruits/old employees shall be to the order of 80:20 between the residentg of Orissa and Bihar which was previously of 50:50 ratio; and

(b) if so, the rationale behind such an order and whether Government will reconsider their decision so that it is brought to the previous level?

THE MINISTER OF COMMERCE AND FOOD AND CIVIL SUPPLIES (SHRI P. SHIV SHANKER): (a) and (b) MMTC does not run any mines in Bihar. However, MMTC has an office at Barbil (District, Keonjhar) in Orissa State for procurement of Iron ore and manganese ore from the State of Orissa and Bihar. About 80 per cent of iron ore and the entire quantum of manganese ore is procured from mines located in Orissa and 20 per cent of iron ore ds procured from the mines located in Bihar. Ratio of recruitment of employees to the above-mentioned office is 80 per cent from Orissa and 20 per cent from Bihar. The position is, however, being reviewed.

Purchase of processed mica by MITCO

923. SHRI ASHWANI KUMAR; SHRI S. W. DHABE:

Will the Minister of COMMERCE be pleased to state;

(a) whether it is fact that the Mica Trading Corporation is buying processed mica from petty dealers;

(b) whether Government have recelived a noint charter of demands from different organisations of mica dealers; and

(c) if so, what steps have been taken to boost mica exports?

THE MINISTER OF COMMERCE AND FOOD AND CIVIL SUPPLIES (SHRI P. SHIV SHANKER): (a) Yes, Sir.

(b Yes, Sir.

(c) Following steps have been taken to boost mica exports;

(1) Exports, duty en Bridge Mica was abolished in 1985-86;

(2) MITCO is setting up a number of industrial projects for exporting value added products of mica;

(3) A working Group has been appointed by the Ministry of Commerce to suggest measures to promote export of value added mica products.

Setting up of a free port-cum-resort in Andamans

924. SHRI MOSTAFA BIN QUA SEM: Will the Minister of COMMER CE be pleased tq state;

(a) whether Government propose set up a free port-cum-resort in the Andamans;

(b) if so, what are the detailg in 1his regard;

(ti) what measures Government propose to take to ensure protection of ecology and ethnic culture of the islanders; and

(d) whether any attempt has been made to know the wishes of the islanders on these matters; if go, what the details thereof?

THE MINISTER OF COMMERCE AND FOOD AND CIVIL SUPPLIES (SHRI P. SHIV SHANKER): (a) and (b) Some suggestions have been received for a free port to be developed in Andaman & Nicobar Islands. No decision has been taken in the matter. There is a proposal for development of tourism in Cinque Islands belonging to the Andaman and Nicobar Group of islands.

(c) Econological and anthropological considerations will be kept in view in working out any schemes or plan for development of the islands.

(d) No, Sir.

Switchover from physical controls to tariffs

925. SHRl NIRMAL CHATTERJEE: Will the Minister of COMMERCE be pleased to state;

(a) what are Government's views on switchover from physical controls to tariffs as trade policy;

(b) whether the switchover will be profitable iri the long run and the benefits will be passed on the people; and

(c) if so, what are the details of the measure- by which the benefit", are to be passed On to the people?

THE MINISTER OF COMMERCE AND FOOD AND CIVIL SUPPLIES (SHRI P. SHIV SHANKER): Ca)' to Ce) The Government have accepted in principle the recommendation of the Committee on Trade Policies regarding replacement of quotas by tariffs overtime. A statement containing extracts of the relevant recommendations of the Report of the Committee on Trade Policies is attached. *{see beiow).* The Government have set up a high level Inter-Ministerial Committee with a view to lay down principles for mov-. ing over, to the extent feasible and desirable, from a regime of quantitative restriction On imports towards a system of controls based on tariffs.

Statement

Cop^ *of the Recommendation of the Committee on Trade Policies Recommendation* \o. ?8

In the ultimate analysis, tariffs should replace the quotas over time. The process of transition would have to be gradual as tariffs and quotas are not perfect substitutes for one another. Wherever licences are substituted by tariffs, it needs to be accepted that tariffs are an instrument of trade policy and not a means of raising revenue. During the period of transition, the structure of tariffs and the import licensing policies would have to be harmonised with each other, which is not the case at present. It is imperative to evolve a mechanism supported by a group of experts who would formulate the guidelines and the methodology for the rationalisation of the tariff structure and the harmonisation of import licensing with tariffs, this would enable the Ministry of Finance to restructure the tariff rates. It goes without saying that a close interdepartmental co-ordination between the Ministries of Commerce. Industry and Finance is a pre-requisite for the proposed change to be introduced. The Committee hopes that this interim [institutional mechanism would ultimately evolve into a suitable permanent arrangement.